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World Production and Trade

United States
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Foreign
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Weekly
Roundup

WR 14-87

April 8, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Exportable Supplies of SOUTH AFRICAN Corn Down. Reports from the U.S. agricultural counselor in Pretoria indicate that exportable supplies of South African corn may be about 1.0 million tons lower than previously estimated due to a poor crop. Earlier estimates for 1986/87 (Oct/Sept) had South Africa exporting 2.5 million tons of corn and it recently began exporting greater quantities of corn to Taiwan, Japan and Korea. However, with the level of exportable supplies in doubt, importers such as Japan may focus their purchases on more reliable supplies from the United States. In 1985/86 (Oct/Sept), South Africa exported 1.4 million tons of corn, with about 70 percent going to Japan and about 20 percent to Korea--two major U.S. corn markets.

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ARGENTINE Corn and Sorghum Exports Expected To Fall Sharply. Reports of a deteriorating crop in Argentina indicate that projected exports of corn in 1986/87 (Oct/Sept) could be as low as 6.0 million tons, according to the U.S. agricultural counselor in Buenos Aires. For sorghum, export prospects of about 1.0 million tons could be the lowest in 20 years, and well below the past 5-year average of 4.1 million tons. Since Argentina is the second largest exporter of sorghum and corn in the world, the impact of lower supplies on traditional buyers, primarily Japan, Korea, the European Community (EC) and the USSR, may benefit the United States. Already this year Japan and Korea have purchased unusually large quantities of U.S. corn to ensure adequate supplies.

KOREAN Corn Imports May Increase. Korea's purchase of about 2.4 million tons of U.S. corn in the past 6 months--close to double last year's total--indicates that imports from the United States, as well as total Korean corn imports, are set for a dramatic jump. Estimates from Korea now place corn imports at 4.3 million tons for 1986/87 (Oct/Sept), with perhaps about 3.4 million tons coming from the United States. In contrast, during 1985/86, Korea imported only 1.3 million tons of U.S. corn out of a total of 3.6 million tons. It appears that the Koreans are shifting back to U.S. corn in light of competitive U.S. prices and uncertain supplies from China, Argentina and South Africa.

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OILSEEDS AND PRODUCTS

PAKISTAN Receives Palm Oil Loan from Islamic Development Bank. The U.S. agricultural attache in Islamabad reports that the Islamic Development Bank will loan Pakistan \$20 million for the purchase of edible oil from the bank's member countries. The oil is to be purchased and shipped from April-June at the current free-on-board price for palm oil of \$300 per metric ton. With this loan, Pakistan may be able to purchase about 67,000 tons of palm oil.

THAILAND Announces Soybean Ratio for Dry Season Crop. The U.S. agricultural attache in Bangkok reports that Thailand has decided to set its ratio of soybean meal imports to local purchases at 3 to 2 for March-August, compared with the September-February ratio of 1 to 1. It is unclear, however, if this will result in increased imports of U.S. soybeans and meal.

WEST GERMANY'S Rapeseed Production To Increase. The U.S. agricultural counselor in Bonn forecasts West German rapeseed area and production for 1987 at 400,000 hectares and 1.19 million tons, up from 307,000 hectares and 956,000 tons in 1986. The forecast is based on the German government's first rapeseed estimate for the 1987 crop. Almost all of the rapeseed is of the winter variety. The spring has been mild and most fields appear to be in good condition in spite of cold weather earlier in the year. Yields are expected to average near those of the last two years, or about 3.0 tons per hectare. Yields have improved substantially recently with the introduction of higher yielding varieties and improved farming methods. Rapeseed yields in West Germany are among the highest in the world and are about equal to those of the United Kingdom.

Germany is rapidly moving into the production of double-zero rapeseed which is low in erucic acid and glucosinolate. Low glucosinolate will allow feed compounders to raise the share of rapeseed meal in livestock feeds, especially for swine and poultry. While rapeseed meal cannot completely substitute for soybean meal, it is displacing soybean meal in compound feeds. Farmers, cooperators and extension services are working toward a complete shift to double-zero varieties by 1988, up from about 40 percent this year.

DAIRY, LIVESTOCK AND POULTRY

UNITED STATES Requires Cattle From Mexico To Be Branded. All steers imported into the United States from Mexico must now be branded with the letter M on the right jaw. USDA said the branding is necessary to improve surveillance for bovine tuberculosis because it provides a permanent way to identify Mexican steers. The requirement is not expected to affect the number of Mexican steers imported into the United States. The brand will be applied before the animals arrive at U.S. ports of entry.

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YUGOSLAVIA'S Livestock and Meat Production Down. The U.S. agricultural counselor in Belgrade reports that livestock production in Yugoslavia fell in 1986 due largely to high feed prices resulting from the reduced 1985 corn crop. Livestock production should recover in 1987 because the 1986 corn crop was up 26 percent and corn prices are down.

Cattle numbers were down at the start of 1987 and are projected to continue down. Cattle numbers have been falling since the mid-1970's due largely to high EC levies on beef imports, which will now be applied to Greece, a steady customer of Yugoslavia. Hog numbers fell 2.9 percent in 1986 after a 10-percent drop in 1985. With lower feed prices this year, numbers are expected to start rebuilding. Sheep numbers expanded last year because of a drop in slaughter. The following table shows livestock numbers in millions.

Year	1984	1985	1986	1987	1988
Cattle	5.34	5.20	5.03	4.96	4.88
Hogs	9.34	8.67	7.82	7.60	7.75
Sheep	7.46	7.68	7.69	7.94	8.02

Red meat production fell in 1986 due to high feed prices and to occasional disruption of exports to Western Europe following the Chernobyl accident. Poultry production, which fell in 1985 due to the high price of corn, rose 6 percent in 1986 to 315,000 tons, reflecting the faster turnover in poultry meat production. The following table shows meat production in thousand tons.

Year	1984	1985	1986	1987
Beef	350	333	320	325
Pork	846	772	695	730
Sheep	58	62	60	63
Poultry	311	297	315	325

CREDIT NOTES

USDA Signs Section 416 Agreements With MEXICO. USDA signed Section 416 agreements with Mexico for 12,640 tons of nonfat dry milk, 3,880 tons of cheese and 3,000 tons of butteroil.

GSM-102 Activities Announced for IRAQ, ECUADOR and MEXICO. USDA extended through Jan. 31, 1988, the export period under the \$12.0-million guarantee line authorized for sales of planting seeds to Iraq. USDA reallocated \$5.0 million in GSM-102 credit guarantees for Ecuador to provide additional coverage for sales of vegetable oils. USDA reallocated \$10.0 million to provide additional coverage for wheat sales to Mexico.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of April 3, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
64. Iraq table eggs	Feb. 20, '87	189 million eggs
63. Canary Islands poultry	Feb. 9, '87	5,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000 Sold 220,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000 Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000 COMPLETE
57. Poland barley or sorghum	Dec. 31, '86	200,000 Sold 137,000
56. Romania wheat	Dec. 23, '86	250,000
55. Iraq poultry	Dec. 22, '86	60,000 Sold 25,000
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000
52. Tunisia barley	Dec. 1, '86	150,000
51. Gulf countries (Bahrain Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head Sold 739
50. West Africa (Cameroon Cote d'Ivoire, Ghana, Togo) wheat	Oct. 30, '86	345,000 Sold 29,500
49. Dominican Republic poultry	Oct. 29, '86	1,500 Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000 Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000
46. Romania barley	Sept. 24, '86	200,000 Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000
44. Cyprus barley	Aug. 26, '86	150,000 Sold 108,000
43. Canary Islands wheat	Aug. 8, '86	100,000
42. Egypt semolina	Aug. 6, '86	30,000 Sold 23,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000 EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head Sold 75
39. Hong Kong table eggs	July 28, '86	44 million eggs Sold 22.0 million eggs
38. Senegal wheat	July 17, '86	100,000 COMPLETE
37. India vegetable oil	July 8, '86	25,000 COMPLETE
36. Jordan barley	June 17, '86	60,000
35. Israel barley	June 17, '86	200,000 Sold 66,682
34. Tunisia dairy cattle	May 29, '86	4,000 head COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head
32. Sri Lanka wheat	May 16, '86	125,000 COMPLETE
	March 5, '87	95,000 Sold 85,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE
		(201,000)	
30. Algeria barley	Jan. 5, '87	1,250,000	COMPLETE
29. Morocco dairy cattle	Apr. 17, '86	500,000	
28. Turkey dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
27. Egypt dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	Sept. 12, '86	6,000 head	COMPLETE
26. Yemen poultry feed	Apr. 14, '86	10,000 head	Sold 2,801
25. Yugoslavia wheat	Apr. 10, '86	150,000	Sold 7,000
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	200,000	COMPLETE
24. Indonesia dairy cattle	Apr. 9, '86	500,000	Sold 93,050
23. Syria wheat	Apr. 8, '86	7,500 head	COMPLETE
22. Benin wheat	Apr. 7, '86	700,000	CANCELLED
21. Algeria table eggs	Apr. 4, '86	45,000	Sold 30,000
20. Iraq dairy cattle	Apr. 4, '86	500 million	eggs
19. Jordan wheat	Mar. 19, '86	6,500 head	Sold 445
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	75,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	225,000	
	Aug. 22, '86	300,000	COMPLETE
17. Algeria wheat flour	Feb. 25, '86	800,000	Sold 250,000
16. Algeria semolina	Feb. 11, '86	100,000	
15. Philippines wheat	Jan. 7, '86	250,000	Sold 30,000
		150,000	COMPLETE
		(152,400)	
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 17, '86	40,000	Sold 25,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 23,700
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	Sold 12,500
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 15,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	Sold 260,000
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	Sold 25,000
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE (512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	Sold 29,000
	Oct. 8, '86	1,000,000	Sold 406,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 354,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	Sold 54,000

EXPORT ENHANCEMENT PROGRAM SUMMARY

Status as of April 3, 1987

Announced to Date	23,088,730 tons grains and products (grain equivalent) 758 million table eggs 140,500 tons frozen poultry 52,500 head dairy cattle 25,000 tons vegetable oil
Sold to Date	9,835,059 tons wheat 1,412,626 tons flour (grain equivalent) 2,840,682 tons barley 72,610 tons semolina (grain equivalent) 64,932 tons barley malt (grain equivalent) 106,000 tons sorghum 38,700 tons rice 7,000 tons poultry feed 25,000 tons vegetable oil 81,633 tons frozen poultry 30,560 head dairy cattle 32,562,000 table eggs
Total Sales Value:	\$1,381.9 million

TARGETED EXPORT PROMOTION PROGRAM

No announcements were made under USDA's Targeted Export Promotion Program this week.

Selected International Prices

Item		: April 3, 1987		: Change from	: A year
	:			: a week ago	: ago
ROTTERDAM PRICES 1/					
Wheat:		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Canadian No. 1 CWRS-13.5%.	148.50	4.04	-0-	N.Q.	
U.S. No. 2 DNS/NS: 14%....	139.50	3.80	+0.50	172.00	
U.S. No. 2 S.R.W.10/	129.50	3.52	+1.50	115.00	
No. 3 H.A.D.....	161.00	4.38	-0-	167.00	
Canadian No. 1 A: Durum...	168.00	4.57	+1.00	N.Q.	
Feed grains:					
U.S. No. 3 Yellow Corn....	85.00	2.16	-3.00	113.00	
Soybeans and meal:					
U.S. No. 2 Yellow.....	203.55	5.54	+0.60	213.40	
Brazil 47/48% Soya Pellets	180.00	--	-3.50	186.00	
U.S. 44% Soybean Meal.....	182.00	--	+1.00	185.00	
U.S. FARM PRICES 3/					
Wheat.....	96.26	2.62	-1.10	117.57	
Barley.....	71.19	1.55	--	N.Q.	
Corn.....	54.33	1.38	-1.97	90.94	
Sorghum.....	56.00	2.54 2/	-0-	82.45	
Broilers.....	1,132.28	--	+65.26	1,051.59	
EC IMPORT LEVIES					
Wheat 5/.....	226.60	6.17	+1.45	144.95	
Barley.....	220.35	4.80	+2.20	145.40	
Corn.....	210.70	5.35	+1.25	128.00	
Sorghum.....	217.00	5.51	+3.00	132.10	
Broilers 4/ 6/ 8/.....	512.00	--	-3.00	301.00	
EC INTERVENTION PRICES 7/ 9/					
Common wheat(feed quality)	219.55	5.98	-1.45	185.20	
Bread wheat (min. quality)	229.75	6.25	-1.55	196.70	
Maize.....	229.75	5.84	-1.55	185.20	
Barley and all other feed grains, excluding maize.	219.55	--	-1.45	185.20	
Broilers 4/ 6/.....	1,541.00	--	-45.00	1,311.00	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat	N.A.	--	--	85.50	
Barley.....	N.A.	--	--	N.A.	
Broilers 4/ 6/ 8/.....	422.00	--	-3.00	220.00	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ June delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis May delivery.

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